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04/04/01



791-0071-25x CONT

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

IN RE APPLICATION OF:

JOHN A. GIULIANI, ET AL.

: GROUP: 2164

SERIAL NO: 09/286,304

: EXAMINER: POINVIL

FILED: APRIL 6, 1999

FOR: METHOD AND APPARATUS FOR GENERATING PURCHASE INCENTIVES  
BASED ON PRICE DIFFERENTIAL

37 CFR 1.192 APPEAL BRIEF

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**37 CFR 1.192(a)**

This brief is being filed in triplicate, is accompanied by the fee set forth in 37 CFR 1.17(c), and sets forth the authorities and arguments on which the appellant will rely to maintain the appeal.

**II. 37 CFR 1.192(b)**

This filing is timely. Accordingly this subsection is not relevant.

**III. 37 CFR 1.192(c)**

**A. 37 CFR 1.192(c)(1) Real Party in Interest**

The real party in interest is Catalina Marketing International, Inc., a Delaware corporation, which is wholly owned by Catalina Marketing Corporation, a Florida corporation.

**B. 37 CFR 1.192(c)(2) Related Appeals and Interferences**

There are no related pending appeals, pending interferences, or requests for interferences known to the appellants representative or the appellants assignee.

**C. 37 CFR 1.192(c)(3) Status of Claims**

Claims 1-9 stand canceled.

Claims 10-24 are pending.

Claims 10-24 are appealed.

**D. 37 CFR 1.192(c)(4) Status of Amendments**

No amendment after the final rejection has been filed.

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**E. 37 CFR 1.192(c)(5) Summary of the Invention**

The present invention provides systems and corresponding methods to provide incentives terms “that are tailored to a consumer’s purchasing behavior and the price of a second item relative to the competitive item.” Page 4, lines 28-30, page 5 line 1. The system of the invention provides a checkout terminal in communication with a computer, and at least one database in communication with the computer from which the computer can determine incentive offers promoted for a particular product based on the price of a purchased product along with the price of a second product. Page 4, lines 18-29. The system will then generate the incentive for the consumer. Page 4, lines 5-6. The system includes means to store incentive data and to identify the customer’s purchases, to compare the price of the customer’s purchases with the price of other products, and to select an incentive to encourage the customer to make additional purchases (claim 10).

The system may provide the incentive to the customer (claim 11).

The system may include a printer for printing the incentive (claim 12).

The system may include a printer at the point of sale (claim 13).

The means to store and choose between two different incentives based on the price of the product purchased and a second product (claim 14).

The means to select an incentive based on the difference in price between the product purchased and a second product (claim 15).

The means to offer an incentive where the purchased product and a second product are competitive products (claim 16).

A method of the invention compares the price of the customer’s purchased item to the price of a second item, and selects incentives based upon the comparison (claim 17).

The method may include providing the incentive to the customer (claim 18).

The method may use a printer for printing the incentive (claim 19).

The printer may be at the point of sale (claim 20).

The method to store and choose between two different incentives may be based on the price of the product purchased and a second product (claim 21).

The method to select an incentive may be based on the difference in price between the product purchased and a second product (claim 22).

The method may offer an incentive where the purchased product and a second product are competitive products (claim 23).

A computer program may store incentive data and identify the customer's purchases, compare the price of the customer's purchases with the price of other products, and select an incentive to encourage the customer to make additional purchases (claim 24).

**F. 37 CFR 1.192(c)(6) Issues**

(1) Whether the rejection of each one of claims 10-24 under 35 USC 103(a) based upon United States patent No. 5,687,322 to Deaton et al. should be reversed.

**G. 37 CFR 1.192(c)(7) Grouping of Claims**

There are three groups of claims. Claims 10-13, 15, 17-20, 22, and 24 stand or fall together. Claims 14 and 21 stand or fall together. Claims 16 and 23 stand or fall together.

H. **37 CFR 1.192(c)(8) Argument**

1. **37 CFR 1.192(c)(8)(i)**

There are no rejections under the first paragraph of 35 USC 112. Therefore, this subsection is inapplicable.

2. **37 CFR 1.192(c)(8)(ii)**

There are no rejections under the second paragraph of 35 USC 112. Accordingly, this subsection is inapplicable.

3. **37 CFR 1.192(c)(8)(iii)**

There are no rejections under 35 USC 102. Accordingly, this subsection is inapplicable.

4. **37 CFR 1.192(c)(8)(iv)-Whether the Rejections of Each One of Claims 10-24 Under 35 USC 103 Based Upon United States Patent No. 5,687,322 to Deaton et al. Should be Reversed**

Claims 10-24 stand rejected as obvious under 35 U.S.C. § 103 in view of United States patent 5,687,322 to Deaton et al. (“the Deaton et al. patent”).

Several basic factual inquiries must be made to determine obviousness of claims of a patent application under 35 U.S.C. § 103. In particular, “the scope and content of the prior art [is] to be determined . . . [and] the level of ordinary skill in the pertinent art resolved.

*Graham v. John Deere Co.*, 383 U.S. 1, 17, 148 USPQ 459, 467 (1966).

A *prima facie* case of obviousness requires showing “by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references.” *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988).

**The examiner failed to prove a *prima facie* case of obviousness for any claim because the only reference he cited (Deaton et al.) does not provide any motivation to base incentives on the difference in price between a purchased product and a second product.**

The Deaton et al. patent discloses a method and system for selective distribution of incentives at point of sale terminals based upon a customer's prior shopping history. Figure 1 in the Deaton et al. patent shows point of sale terminals 120 in communication with a local or remote transaction processor 112. Figure 1 in the Deaton et al. patent also shows a coupon dispenser 123b attached to a point of sale terminal 120.

The Deaton et al. patent discloses providing the ability to provide different incentives to purchasers based on their shopping history. Column 69 lines 35-42, 61-67. These incentives may be based on the dollar value of previous purchases, column 69 lines 35-40, or based on the products previously purchased by the customer. Column 101, lines 55-57. To provide these differing incentives, the Deaton et al. patent discloses storing purchases in a data base containing the customer's purchase history. Column 101, lines 45-53. Deaton et al. disclosed using information about the customer's *previous purchase history* to encourage the customer to make more future purchases at the same store (or chain). Col. 69 lines 35-42.

Deaton et al. does not disclose or suggest using the relationship of the price of the customer's *current purchase* with the price of a second product to create an incentive for the customer to make future purchases.

The differences between the inventions defined by each one of the claims and the disclosure in the Deaton et al. patent, and the reasons why those differences would not have been obvious to one of ordinary skill in the art, are presented in the following subsections.

**a. Group 1 - Claims 10-13, 15, 17-20, 22, and 24**

The inventions defined by Group 1 claims provide a means for providing differing incentive offers to customers based solely on the difference in price between a product the customer purchases and a second product.

Independent claim 10 recites:

A[] system, comprising:

- storage means for storing incentive data;
- means for selecting incentive data from said storage means depending upon
  - (1) purchase of a first item,
  - (2) a price of said first item, and
  - (3) a price for a second item.

The Deaton et al. patent does not disclose or suggest any method to base an incentive on the *price* of the purchased (first) item and the *price* of a second item, as defined in claim 10. Deaton et al. does not disclose or suggest using differing incentives depending on whether the purchased product is cheaper or more expensive than the second product. Therefore, it would not have been obvious to one of ordinary skill in the art in view of the Deaton et al. patent to provide differing incentives based upon whether the purchased product was more or less expensive than the second product.

**b. Group 2 - Claims 14 and 21**

Claims 14 and 21 define storing multiple different incentives associated with purchase of the same item. Deaton et al. does not disclose or suggest that concept.

**c. Group 3 - Claims 16 and 23**

Claims 16 and 23 are separately patentable because Deaton et al. neither discloses nor suggests providing an incentive to the customer based on the difference in price between the purchased item and a competitive item. That is what claims 16 and 23 define.

5. **37 CFR 1.192(c)(8)(v)**

There are no rejections other than those referred to in paragraphs (c)(8)(c)(iv) of subsection 37 CFR 1.192. Accordingly, this subsection is inapplicable.

I. **37 CFR 1.192(c)(9) Appendix**

Appendix I contains a clean copy of claims 10-24.

IV. **37 CFR 1.192(d)**

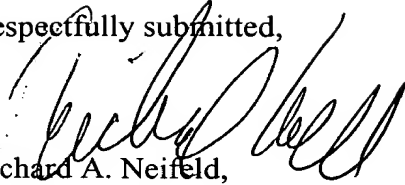
This brief is in compliance with 37 CFR 1.192(c). Accordingly, this subsection is inapplicable.

V. **Additional Appendices**

Appendix II - relevant proposed findings of fact.

Appendix III - relevant proposed conclusions of law.

Respectfully submitted,

 3/23/01  
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Printed: March 9, 2001

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## **APPENDIX I - CLEAN COPY OF CLAIMS 10-24**

10. A system, comprising:

storage means for storing incentive data;

means for selecting incentive data from said storage means depending upon (1) purchase of a first item, (2) a price of said first item, and (3) a price for a second item.

11. A system according to claim 10 further comprising means for providing an incentive based upon the selected incentive data to a purchaser of the first item.

12. The system according to claim 10, further comprising a printer for printing an incentive based upon the selected incentive data.

13. The system according to claim 10, further comprising a printer at the point of sale for printing an incentive for the purchaser of the first item in response to the purchase of the first item and based upon the selected incentive data.

14. The system according to claim 10, wherein said storage means (1) stores first incentive data defining a first incentive associated with a purchase of a first item and (2) stores second incentive data defining a second incentive for purchase of said first item, and said means for selecting selects said first incentive data or said second incentive data, depending upon said price of said first item and said price of said second item.

15. The system according to claim 10 wherein said means for selecting selects incentive data based upon a difference in price between said first item and said second item.

16. The system of claim 10 wherein said first item and said second item are competitive items.

17. A computer implemented method comprising the steps of:

storing incentive data;

selecting incentive data from said storage means depending upon (1) purchase of a first item, (2) a price of said first item, and (3) a price for a second item.

18. A method according to claim 17 further comprising the step of providing an incentive based upon the selected incentive data to a purchaser of the first item.

19. The method according to claim 17 further comprising the step of printing from a printer an incentive based upon the selected incentive data.

20. The method according to claim 17 further comprising the step of printing from a printer at the point of sale an incentive for the purchaser of the first item in response to the purchase of the first item and based upon the selected incentive data.

21. The method according to claim 17 wherein said step of storing (1) stores first incentive data defining a first incentive associated with a purchase of a first item and (2) stores second incentive data defining a second incentive for purchase of said first item, and step of selecting selects said first incentive data or said second incentive data, depending upon said price of said first item and said price of said second item.

22. The method according to claim 17 wherein said step of selecting selects incentive data based upon a difference in price between said first item and said second item.

23. The method of claim 17 wherein said first item and said second item are competitive items.

24. A computer program product comprising a storage media encoded with is instructions for a computer so that said computer performs the method of:

storing incentive data;

selecting incentive data from said storage means depending upon (1) purchase of a first item, (2) a price of said first item, and (3) a price for a second item.

## **APPENDIX II.        PROPOSED FINDINGS OF FACT**

### **I.        Material Facts Regarding the Claimed Invention**

1. Claims 1-9 stand canceled.
2. Claims 10-24 are pending.
3. Claims 10-24 are appealed.
4. No amendment after the final rejection has been filed.
5. The present invention provides systems and corresponding methods to provide incentives terms that are tailored to a consumer's purchasing behavior and the relative price of a purchased item and a second item.
6. The system of the invention provides a checkout terminal in communication with a computer, and at least one database in communication with the computer from which the computer can determine incentive offers promoted for a particular product based on the price of a purchased product along with the price of a second product.
7. The system will then generate the incentive for the consumer.
8. The system includes means:
  - i.        to store incentive data and to identify the customer's purchases,
  - ii.       to compare the price of the customer's purchases with the price of the second products, and
  - iii.       to select an incentive to encourage the customer to make additional purchases (claim 10).
9. The system may provide the incentive to the customer (claim 11).
10. The system may include a printer for printing the incentive (claim 12).
11. The system may include a printer at the point of sale (claim 13).
12. The means to store and choose between two different incentives based on the price of the

product purchased and a second product (claim 14).

13. The means to select an incentive based on the difference in price between the product purchased and a second product (claim 15).

14. The means to offer an incentive where the purchased product and a second product are competitive products (claim 16).

15. A method of the invention compares the price of the customer's purchased item to the price of a second item and selects incentives based upon the comparison (claim 17).

16. The method may include providing the incentive to the customer (claim 18).

17. The method may use a printer for printing the incentive (claim 19).

18. The printer may be at the point of sale (claim 20).

19. The method to store and choose between two different incentives may be based on the price of the product purchased and a second product (claim 21).

20. The method to select an incentive may be based on the difference in price between the product purchased and a second product (claim 22).

21. The method may offer an incentive where the purchased product and a second product are competitive products (claim 23).

22. A computer program may:

- i. store incentive data and identify the customer's purchases,
- ii. compare the price of the customer's purchases with the price of a second products, and
- iii. select an incentive to encourage the customer to make additional purchases (claim 24).

## II. Material Facts Relevant to Argument

23. Claims 10-24 stand rejected as obvious in view of United States patent No. 5,687,322 to the Deaton et al. patent.

24. The examiner failed to prove a *prima facie* case of obviousness for any claim because the only reference he cited (Deaton et al.) does not provide any motivation to base incentives on the difference in price between a purchased product and a second product.

25. The Deaton et al. patent discloses a method and system for selective distribution of incentives at point of sale terminals based upon a customer's prior shopping history.

26. Figure 1 in the Deaton et al. patent shows point of sale terminals 120 in communication with a local or remote transaction processor 112.

27. Figure 1 in the Deaton et al. patent also shows a coupon dispenser 123b attached to a point of sale terminal 120.

28. The Deaton et al. patent discloses providing the ability to provide different incentives to purchasers based on their shopping history. Column 69 lines 35-42, 61-67.

29. These incentives may be based on the dollar value of previous purchases, column 69 lines 35-40, or based on the products previously purchased by the customer. Column 101, lines 55-57.

30. To provide these differing incentives, the Deaton et al. patent discloses storing purchases in a data base containing the customer's purchase history. Column 101, lines 45-53.

31. Deaton et al. disclosed using information about the customer's *previous purchase history* to encourage the customer to make more future purchases at the same store (or chain). Column 69 lines 35-42.

32. Deaton et al. does not disclose or suggest using the relationship of the price of the customer's *current purchase* with the price of a second product to create an incentive for the

customer to make future purchases.

a. **Group 1 - Claims 10-13, 15, 17-20, 22 and 24**

33. The inventions defined by Group 1 claims provide a means for providing differing incentive offers to customers based solely on the difference in price between a product the customer purchases and a second product.

34. The Deaton et al. patent does not disclose or suggest any method to base an incentive on the *price* of the purchased (first) item and the *price* of a second item 10.

35. Deaton et al. does not disclose or suggest using differing incentives depending on whether the purchased product is cheaper or more expensive than the second product.

36. It would not have been obvious to one of ordinary skill in the art in view of the Deaton et al. patent to provide differing incentives based upon whether the purchased product was more or less expensive than a second product.

b. **Group 2 - Claims 14 and 21**

37. Claims 14 and 21 define storing multiple different incentives associated with purchase of the same item.

38. Deaton et al. does not disclose or suggest that concept.

c. **Group 3 - Claims 16 and 23**

39. Claims 16 and 23 are separately patentable because Deaton et al. neither discloses nor suggests providing an incentive to the customer based on the difference in price between the purchased item and a second item.

### **APPENDIX III. PROPOSED CONCLUSIONS OF LAW**

#### **a. Group 1 - Claims 10-13, 15, 17-20, 22 and 24**

1. The inventions defined by each one of claims 10, 11, 12, 13, 15, 17, 18, 19, 20, 22 and 24 would not have been obvious to one of ordinary skill in the art in view of the Deaton et al. patent.

#### **b. Group 2 - Claims 14 and 21**

2 The inventions defined by each one of claims 14 and 21 would not have been obvious to one of ordinary skill in the art in view of the Deaton et al. patent.

#### **c. Group 3 - Claims 16 and 23**

3. The inventions defined by each one of claims 16 and 23 would not have been obvious to one of ordinary skill in the art in view of the Deaton et al. patent.

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I:\atty\RCN\Guiliani Appendix Findings of Fact.wpd